Budget Execution
Overview

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Chapter 1   Budget Operating Plan Overview

Budget Execution is the performance phase of the overall budget process. It consists of carrying out NOAA programs within approved budget levels through the use of effective financial management procedures. During this phase, NOAA is responsible for maintaining accounting systems with internal controls and administrative controls to facilitate management of programs.

1.1   Budget Structure

The Core Financial System (CFS) and other CBS components utilize a standard Accounting Classification Code Structure (ACCS) which ensures that only valid account codes are used. In addition, all applicable maintenance screens must be set up prior to recording transactions. The ACCS structure is composed of nine individual elements: Bureau Code, Fiscal Year, Fund, Organization, Program, Project, Task, Object Class, and User-Defined Fiel.d.

1.2   Budget Execution Overview

The Budget Execution phase is initiated by a planning stage prior to the enactment of appropriations and the start of the fiscal year. Prior to the new fiscal year, budget operating plans are prepared based on amounts issued by NOAA's Budget Execution Branch. These amounts reflect Congressional action (whether House Report, Senate Report or Conference Resolution) on the upcoming fiscal year's budget.

Congress must issue an enactment of appropriations or a continuing resolution by October 1. After receiving the appropriation, agencies have ten days to prepare and submit an apportionment of funds to Office of Management and Budget (OMB). The budget operating plans are then revised and updated as necessary to reflect actual appropriations and available funds. Budget operating plans are adjusted during the year, as required. The plans serve as the basis for financial control and the evaluation of program resource utilization in the execution of the budget.

1.3   Hierarchical Funds Distribution

Funds availability within the Core Financial System reflects the legal flow of funds in a hierarchical manner with controls at each level. Funds distribution is "top-down" which means NOAA will distribute funds to the Staff Office, Program Office or Line Office. The financial planning process or the development of the Budget Operating Plans (BOPs) is "bottom-up" which means different organizational levels will build their plans based on their allotments.

The steps for funds distribution are:

♦   Establish Funds Management Parameters

♦   Establish Congressional Reprogramming Threshold

♦   Record Budgetary Resources

♦   Establish Program Authority

♦   Record Apportionments for non-internal funds

♦   Record Allotments/sub-allotments

♦   Record Internal Fund Ceilings

♦   Record Budget Operating Plans

1.4   Introduction to Budget Execution in the Core Financial System

The primary components of the Budget Execution process within the Commerce Business Systems (CBS) are: Initial Set-up, Funds Management and Planning, Cost Accumulation, Workflow Management, and Monitoring and Reporting. Each component is applicable to both Direct and Reimbursable funding sources.

1.4.1   Set-up

There are two components of the initial budget setup - creating Budget Structure Parameters and establishing Funds Control Parameters. Both components must be complete prior to setting up funding.

1.4.1.1   Budget Structure Parameters

The budget structure parameters that need to be created are the fund code, the program codes, and the project codes. Funds codes are established on the Fund Code Maintenance Screen **(GL013)**. NOAA Finance creates/approves a unique number for each appropriation symbol. For no-year funds, a one-time entry is required. However, for annual and multi-year funding, a fund code must be established each time the period of availability changes.

Program code values in CBS represent the Line Items of the formal budget submission to Congress. Valid programs are updated, entered, and approved by the Budget Execution staff each year. Program codes are established by fund code. If a new fund is added, program codes must also be added. If a new program is added to the budget, it needs to be added to all applicable fund codes.

Program codes are comprised of four segments: Activity; sub-activity; line item; and bureau unique code. These segments are entered on the Maintenance Screen - Program Activity Codes **(GL047)**, Maintenance Screen - Program Subactivity Codes **(GL048)**, Maintenance Screen - Program Budget Line Item Code **(GL049)**, Maintenance Screen - Program Bureau Unique Code **(GL050)**, respectively. All four of these screens need to be entered and activated before project

codes can be set up and program authority can be established.

Project codes are established by the Budget Execution staff upon receipt of the appropriate documentation from the line offices. The documentation provided by the LO identifies the project elements to be entered. The Budget Execution staff enters project data into the Project Code Maintenance Screen **(CM004)**. The data input is reviewed by a second analyst before it is approved. Project codes are unique within a bureau, must be given a start date, and are tied to a specific fund and program code. An end date is also entered for multi-year funds. In addition, the project code must be active and have at least one active task code in CBS before it can be used.

1.4.1.2   Funds Control Parameters

All screens in this area of set-up, entry and approval are done by the Budget Execution Staff. CBS allows NOAA to establish different levels of funds control as well as the entry of reprogramming thresholds as specified by Congress.

♦   **FM001** - Funds Management Parameter Maintenance Screen establishes default settings that affect how funds control will operate within a particular fund.

Key parameters are commitments, sub-allotments, Budget Operating Plans (BOPS), and Organization. These parameters determine the funds control levels. Funds control parameters are established by organization for each fund code, fiscal year and category combination. OMB requires quarterly funds control at the Apportionment and allotment levels. Transactions that exceed quarterly allotments will fail the funds control edits.

The Budget Office will allot funds by program (line item/PPA) or project to be used in the planning process for each fund. Depending on the fund, the allotments will be distributed to either each Line Office and Program Office; or to each FMC or Program Office. The Assistant Administrators (AAs) will be held accountable for staying within their annual program (line item) amounts. However, CBS will be set up to control at the level in which the allotment was distributed. There may be situations that occur when override approval will be necessary to allow an over-expenditure of an allotment.

The discipline of the CBS system will enhance the management of NOAA's financial resources at all organizational levels. System controls imposed on quarterly obligations will require more careful planning by NOAA managers in order to avoid excessive requests for funds overrides.

♦   **FM005** - Reprogramming Threshold Maintenance Screen specifies the reprogramming threshold set by Congress. This functions on a cumulative basis. A message is sent to the override officials when plans exceed the reprogramming amounts or percentages on a cumulative basis.

♦   **FM007** - Transferring Org Mask Maintenance Screen establishes the default organization level at which allotments are automatically created when using the BOP Change Order TRNSFER functionality. A default mask is created for each combination of bureau, fund code, fiscal year, and direct/reimbursable flag. This mask is applied to the organization code entered in the Corresponding Organization field on the Budget Control screen.

1.4.2   Funds Management/Planning

This process establishes the amounts available for obligation for both direct and reimbursable funds. Some steps are performed by the NOAA Budget Office (NOAA level) while others are performed by the Line Office (Organizational level).

1.4.2.1   NOAA Level

The budgetary resources are entered and approved by the Financial Reporting Division. Source documents are the Appropriations Bill, the Treasury Warrant, the Congressional Budget Submission, and the Apportionment Schedule.

♦   **FM060** - Budgetary Resources Transaction Screen is used to enter the total resources, (direct and reimbursable), of the entire fund/appropriation.

♦   **FM061** - Program Authority Transaction Screen is used to record authority provided by law. This screen records the total program authority established. It also displays the total amount apportioned, and designates the Category A and Category B amounts.

♦   **FM062 -** Apportionment Transaction Screen is used to record apportionments that make budgetary resources available to a bureau. It includes quarterly limits and amounts deferred by OMB. It also designates which amounts are available by Category A and B, and displays the total Budgetary Resources and Program Authority.

♦   **FM063** - Allotment Transaction Screen is used for administrative allowance of NOAA funds to the organizations by quarter. (CBS requires that we use 'allotment' and 'sub-allotment' in place of 'allowance' and 'sub-allowance'). Separate entries are required for direct and reimbursable funds. This screen also displays the available apportionments by quarter.

♦   **FM065** - Establish Internal Fund Ceiling Transaction screen is used to allocate an estimated amount for providing overhead services.

♦   **FM006** - The Budget Operating Plan Template Maintenance Screen is used to establish templates for standard information that can be re-used when creating BOPs with similar object class detail.

1.4.2.2   Organization Level

The remainder of the funds management/planning is entered by the Line Office/FMC/Staff Office/Program Office and approved by the Line Office/FMC/Staff Office/Program Office. Source documents are the allotments issued to the individual offices. The following screens provide the capability to distribute and plan funds below the Line Office level:

♦   **FM064** - Sub-Allotment Transaction Screen allows the Line Offices to sub-allot to lower levels of the organization by program, project, or object class - by quarter. These sub-allotments cannot exceed the Line Office allotment for the quarter.   Separate entries are required for direct and reimbursable funding.

> *NOTE: NOAA will not be using the sub-allotment feature in CBS in FY2005*

♦   **FM066** - Budget Operating Plan Transaction Screen is used to establish and maintain BOPs to further budget and control the use of funds at lower levels of the organization. Plans cannot exceed the allotment. Plans can be created by entering a new plan or using the BOP Template and updating the appropriate fields. Plans should be modified by referencing the original plan number.

1.4.3   Cost Accumulation

The Cost Accumulation process within the Core Financial System enables NOAA to centrally accumulate, track and allocate costs associated with overhead services.

The Cost Accumulation module supports the following key functions:

♦   An Internal Fund is used to collect and allocate overhead costs. The fund is established via **FM065** - Establish Internal Fund Ceiling Transaction Screen.

♦   Application of surcharge rates for overhead to the Budget Operating Plans (BOPs) and obligations. Rates are set up in **GL011** - Surcharge Code Maintenance Screen and applied by running **CM204** - Surcharge Application Program.

♦   Redistribution of over/under amounts back to operating programs. The parameters for distributing costs from the Internal Fund to the funding sources are established on **CM012** - Over/Under Distribution Template Maintenance Screen. The actual execution of the Over/Under Distribution is accomplished through **CM202** - Over/Under Distribution Control Screen.

1.4.4   Workflow Management

The following screens are used to set up document approval routing for Budget Operating Plans.

♦   **WF001** - The Document Approval Maintenance Screen is used to record and maintain administrative approval routing for the Budget Operating Plans. The approval routing is established for each document type by ACCS, dollar amount, and effective date range. The WF001 screen is also where the funds override officials are recorded. To invoke the routing approval, the user should enter the approver's employee ID number in the UDF field of the ACCS.

♦   **WF002** - The Documents Requiring Approval Screen is used to review documents awaiting approval and to record approval or disapproval. To view the document, the approver double clicks on the Document (Plan) No. or Trans No. field. If a document is not approved, the notes field must be populated.

♦   **WF003** - Message Retrieval Screen displays messages to users notifying them when documents are waiting their approval, or have been re-routed. It also displays information on the status of system processes.

♦   **WF604** - Re-Assign Approvers by Document screen can be used to re-route a specific document number to an alternate approving official.

♦   **WF605** - Re-Assign Approvers by Employee screen can be used to re-route all documents or a specific document for an approver to an alternate approving official.

1.4.5   Monitoring & Reporting

The Commerce Business Systems (CBS) provides information for NOAA Line Offices, including budget, cost accumulation and expenditure data through reports, query and lookup screens.

Sources of reports and data for the Funds Management Module may be obtained directly from the Core Financial System or the Data Warehouse. The following sub-sections provide additional information on monitoring and reporting capabilities.

1.4.5.1   Reports

Reports associated with the Funds Management module are written to access either data directly from the Core Financial System (CFS) production database or from data that has been copied into the Data Warehouse.

Reports generated from the CFS displays information that reflect the most current information. Currently, they include the BOP Report and Quick Reports. The budget related reports developed as Quick Reports allow users to view current allotment and budget operating plan information.

Reports developed in the Data Warehouse display data from the current copy of production, which is updated nightly. The report parameters will allow for reporting at many levels of the ACCS.

1.4.5.2   Data Warehouse Query Application

The Budget and Expenditures Query Application is within the Data Warehouse. This application allows the user to interactively query and analyze budget and expenditure data. The multiple screens allow the user to query and select ACCS data, and then drill down from the ACCS data to screens for Budget and Balances, Monthly Expenses, and Document Detail.

1.4.5.3   Look-up Screens

The lookup screens on the FM066 Budget Operating Plan display current object class and detail data for the current transaction and the plan associated to the transaction. These screens can only be accessed from the FM066.

1.5   CBS Support

Various methods of CBS support is available following deployment of all CBS modules. In addition to the materials distributed during the training of all new users, initial support is available on the CBS web site and from Client Services, functional teams, and servicing ASCs.

1.5.1   CBS Web Site

The NOAA CBS Program Division web site address is: www.rdc.noaa.gov/~cams. Information is available for the CBS modules that have been implemented, ACCS conversion, payment lookups, forms, contacts, etc. Links are also provided to the Finance and ASC web sites.

1.5.2   CBS Team Support

During the initial deployment of CBS modules, support is provided by the functional team(s) responsible for a particular module, or application. Training materials, user guides, and procedure manuals are developed for each module prior to deployment.

1.5.3   CBS Client Services

CBS Client Services provides help desk support for users. Client Services can be reached at 301-427-1023 or via e-mail at clientservices@cams.noaa.gov. The following identifies some of the tasks which the Client Services staff is responsible for:

♦   Responding to help desk emails and calls
♦   Responding to all systems performance help desk emails and calls
♦   Reporting systems performance problems to the appropriate contact (e.g., ITC, etc.) and provide assistance, as needed
♦   Alerting the CBS community via email of systems and/or network down times
♦   Creating Oracle IDs in the GL029, Employee Information Maintenance Screen, (GL029)
♦   Maintaining the Employee Interface file from NFC
♦   Recording all SIRS and Enhancements into the tracking system and forward them to the CSC, as appropriate
♦   Referring all client comments, requests for enhancements, etc. to the appropriate teams

1.5.4   Servicing ASC Assistance

ASCs will continue to provide support for their clients. The servicing ASC office is the first level of support available to users.